

# Applicability of EURO VAT to LBNL

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### Overview of EURO VAT

The Value Added Tax, or VAT, in the European Union is a general, broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services that are bought and sold for use or consumption in the Community. Thus, goods which are sold for export or services which are sold to customers abroad are normally not subject to VAT. Conversely imports are taxed to keep the system fair for EU producers so that they can compete on equal terms on the European market with suppliers situated outside the Union.

### LBNL Payment Procedures for EURO VAT

For goods purchased from EU members and delivered to LBNL in non EU locations (exports), LBNL is not subject to VAT and will not remit payment for VAT if charged on vendor invoices. LBNL will short pay the invoice for the amount of VAT applied and will provide the following explanation:

*Lawrence Berkeley National Laboratory (LBNL), a national public research facility, operated by The Regents of the University of California, a 501(c)(3) tax exempt organization, on behalf of the Department of Energy (U.S. Government).*

*As such, LBNL, a non EU member and receiver of **exported** goods from an EU member, **is not** subject to VAT.*

For goods purchased from EU members and delivered in EU locations (imports), LBNL is subject to VAT and will remit payment for VAT if charged on vendor invoices.

### Resources

European Commission – Taxation and Customs Union

[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/)

HM Revenue & Customs

<http://www.hmrc.gov.uk/vat/managing/international/exports/goods.htm>